

DA.10 State Archives

Operating Budget Data

(\$ in Thousands)

	<u>FY 01 Actual</u>	<u>FY 02 Working</u>	<u>FY 03 Allowance</u>	<u>Change</u>	<u>% Change Prior Year</u>
General Fund	\$2,784	\$2,805	\$2,969	\$164	5.9%
Special Fund	<u>2,690</u>	<u>1,459</u>	<u>2,487</u>	<u>1,028</u>	<u>70.5%</u>
Total Funds	\$5,474	\$4,264	\$5,457	\$1,193	28.0%

- \$61,000 is provided to publish the *Maryland Manual*.
- The \$1,028,243 special fund increase is overstated because State Archives has not processed the required budget amendments to increase the fiscal 2002 budget to reflect the current level of operations.

Personnel Data

	<u>FY 01 Actual</u>	<u>FY 02 Working</u>	<u>FY 03 Allowance</u>	<u>Change</u>
Regular Positions	46.00	47.00	47.00	0.00
Contractual FTEs	<u>52.37</u>	<u>26.89</u>	<u>47.50</u>	<u>20.61</u>
Total Personnel	98.37	73.89	94.50	20.61

Vacancy Data: Regular Positions

Budgeted Turnover: FY 03	1.93	4.10%
Positions Vacant as of 12/31/01	1.50	3.19%

- The personnel detail for fiscal 2002 does not accurately reflect the number of contractual FTEs because the agency has failed to submit the required budget amendments. Therefore, the increase noted for fiscal 2003 is incorrect.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Issues

Information Technology Master Plan: Most information technology (IT) enhancements and replacement of equipment should be deferred in fiscal 2003.

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete replacement of IT equipment scheduled for fiscal 2003.	\$ 73,177	
2. Delete new IT equipment scheduled for fiscal 2003.	98,759	
3. Reduce telecommunication costs to delete upgrade of T-1 lines to DS-3 lines for State Archives connection to Wide Area Network (WAN).	62,000	
4. Delete funds to publish the <i>Maryland Manual</i> .	61,000	
5. Reduce funds to replace consolidated publication merchandise.	30,000	
6. Defer support of the Slavery Commission project for one year as a cost containment measure.	135,039	
Total Reductions	\$ 459,975	

Updates

Assessment of Peabody Art Collection: The required report on assessment of the Peabody Art Collection was submitted December 31, 2001. The projected costs to conserve and restore the collection over the next ten years is \$2.25 million.

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Operating Budget Analysis

Program Description

As the legally and constitutionally mandated historical agency for Maryland, State Archives is the central depository for government and certain designated private records of permanent value. Holdings date from 1634 to the present. These include colonial and State executive, legislative, and judicial records; county probate, land, and court records; publications and reports of the State, county, and municipal governments; business records; and special collections of maps, newspapers, photographs, records of religious bodies (particularly as they relate to the recording of births, deaths, and marriages), businesses, and private individuals. State Archives seeks to preserve and make available the permanent records of the past in original form and electronically, while providing reliable information about Maryland State, county, and municipal government in a continuously compiled and updated, web-enabled, accessible environment.

State Archives preserves, describes, and makes accessible the government general public records deemed to have a permanent historical, educational, and administrative value. State Archives maintains an archival microfilm copy of all land and court records and prepares and, every two years, publishes the *Maryland Manual*. Other publications and the index to various collections are available on the Internet and CD ROM. The *Maryland Manual*, including photographs, is available on the Internet.

In February 1995 State Archives established an Internet site (<http://www.mdarchives.state.md.us>). In January 1997 the agency also took responsibility for the Maryland Electronic Capital (MEC) web site (<http://www.mec/state.md.us>). State Archives is the web master for the MEC web page, the home page of Maryland State government, and provides the home page links to Maryland State government web sites.

The Commission on Artistic Property, created in 1969, is charged with keeping an accurate inventory of valuable paintings and other valuable artistic property in State custody, except in the Government House. The commission may accept gifts and loans of paintings and other artistic property. The commission, with approval of the Governor, may accept money from any source, public and private, and administers the funds according to the conditions and terms of the gifts. In June 1996 the Commission on Artistic Property assumed custody of the Peabody Art Collection. In 1993 legislation established the State Archive Endowment Fund to receive gifts for the study of biography and geography and to promote original records for use in schools.

Fiscal 2002 Actions

A cost containment reduction of \$122,000 was taken of which \$101,000 was in salaries and \$21,000 in other operating expenses. The agency currently has 1.5 positions vacant; therefore it will unlikely meet the budgeted turnover expectancy salary savings (\$225,311) and cost containment salary savings.

Governor's Proposed Budget

As indicated in **Exhibit 1** the fiscal 2003 allowance increases \$1,192,559, or 28%. The general fund allowance increases \$164,316, or 5.9%. Cost containment actions taken in fiscal 2002 are continued with the \$142,000 cost containment reduction to salaries in fiscal 2003.

Most of the increases in Exhibit 1 are distorted by a fiscal 2002 appropriation that understates what State Archives is currently spending for the indicated items in fiscal 2002. The increase can be explained by the failure of State Archives to process the required budget amendments in fiscal 2002 to reflect the current level of expenditures in fiscal 2002 operations. For example, fiscal 2003 indicates a contractual payroll of \$1,333,766 and 47.50 full-time equivalent (FTE) positions, an increase of \$675,155. State Archives ended fiscal 2001 with 52.37 FTEs and a contractual payroll of \$1,101,449. Most of the FTEs are still on the payroll in fiscal 2002.

Information Technology

The State Archives currently supports four T-1 connections to the Internet. The \$62,184 increase supports an IT proposal request (ITPR) to upgrade the Annapolis campus of State Government WAN with a faster broadband DS-3 Internet connection. The increase in lease/purchase of equipment financed through the Treasurer's Office indicates an increase of \$62,685 for the replacement of data processing equipment. The fiscal 2003 budget also includes \$98,759 for the lease purchase of new equipment in fiscal 2003 but no increase from fiscal 2002 (see IT Master Plan issue).

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Exhibit 1

**Governor's Proposed Budget
State Archives
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
2002 Working Appropriation	\$2,805	\$1,459	\$4,264
2003 Governor's Allowance	<u>2,969</u>	<u>2,487</u>	<u>\$5,457</u>
Amount Change	\$164	\$1,028	\$1,193
Percent Change	5.9%	70.5%	28.0%
Where It Goes:			
Personnel Expenses			
Fiscal 2003 increments			\$28
Annualize fiscal 2002 general salary increase			46
Net fiscal 2003 cost containment			(142)
Health insurance			10
Retirement			29
Turnover expectancy			109
Other adjustments			33
Subtotal			\$113
Other Changes			
Contractual Payroll – 20.6 FTEs			675
Telecommunications – upgrade four T-1 lines to DS-3 connection			62
Other communication expenses – telecommunications, postage, and telephones			98
Equipment rental non-IT			85
Office assistance			93
Office supplies and audio visual equipment			33
IT capital lease/purchase			63
Artistic Property			33
Other			(62)
Total			\$1,193

Note: Numbers may not sum to total due to rounding.

Performance Analysis: Managing for Results

State Archives is charged with preserving the public record of the government of the State. The goal of State Archives is to make much of this accessible to the public electronically on the Internet. **Exhibit 2** indicates that the number of electronic files of the public record has grown exponentially from 107,000 in fiscal 1999 to 3.3 million projected in fiscal 2003.

State Archives has hosted the Maryland home page gateway to Maryland State Government since it first established a web presence in February 1995. While electronic files have grown from 108 gigabytes in fiscal 2000 to a projected 368 gigabytes in fiscal 2002, only a small portion of the electronic files of State government has been archived. This includes some notable successes – the *plat.net* initiative to place all subdivision plats on-line, the electronic *Maryland Manual* and the *Archives of Maryland* series. While much of this can be quantified, much is in the eye of the beholder. For example the digital images from the Peabody Art Collection are now available on-line.

State Archives has been successful in bringing access to the State record and history to the people via the Internet, but much remains to be accomplished. State Archives estimates that 18,000 gigabytes of electronic data in State government need to be archived. While State Archives has an IT master plan to do this, as noted in the Issues section, the pace of electronically archiving will be slow and costly.

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Exhibit 2

**Program Measurement Data
State Archives
Fiscal 1999 - 2003**

	<u>Actual 1999</u>	<u>Actual 2000</u>	<u>Est. 2001</u>	<u>Actual 2001</u>	<u>Est. 2002</u>	<u>Est. 2003</u>	<u>Ann. Chg. 99-01</u>	<u>Ann. Chg. 01-03</u>
Inputs								
Records in custody	199,615	209,706	223,706	220,638	231,149	241,660	5.1%	4.7%
Electronic data(gigabytes) capacity	n/a	105	1,368	500	720	1,270	n/a	59.4%
Web site files on-line	107,000	500,405	2,621,252	935,014	1,748,476	3,269,650	195.6%	87.0%
Files placed on-line	n/a	166,802	n/a	434,609	813,462	1,521,174	n/a	87.1%
Outputs								
Electronic data on-line gigabytes	n/a	108	n/a	190	368	688	n/a	90.3%
Web site visits	747,374	953,471	1,210,908	1,142,540	1,371,048	1,645,258	23.6%	20.0%
Artistic Property								
Annapolis complex fine arts objects	1,189	1,289	1,237	1,319	1,349	1,379	5.3%	2.2%
Peabody Art Collection	1,374	1,374	1,374	1,374	1,374	1,374	0.0%	0.0%
Peabody Art Collection suitable for display	n/a	n/a	n/a	962	964	966	n/a	0.2%

Source: Maryland State Archives

Issues

1. Information Technology Master Plan

State Archives submitted a master plan and four Information Technology Proposal Requests (ITPRs):

- \$249,420 – for enhancements to baseline operations to provide public web access to basic public records, the *Maryland Manual* On-line, the Archives of Maryland, and gateway access to Maryland State government through the State Archives and the Maryland Electronic Capital Web sites;
- \$8,488,800 – to develop an electronic archival program to preserve all the permanent electronic records of e-government;
- \$62,184 – to enhance the WAN communications on the Annapolis campus by replacing the existing four T-1 connections to the Internet with four DS-3 connections; and
- a proposal for on-line Archives of Maryland to provide access to the permanent constitutional, legal and administrative records of State government of the last decade.

Only the last project did not request additional funds for enhancements. The allowance included replacement equipment (\$46,632) and lease/purchase financing of new equipment (\$98,759) to support baseline operations. The new equipment financing included \$61,865 for 500 gigabytes of additional storage to bring total data storage up to 1,270 gigabytes. The allowance also included the WAN-enhanced communications \$62,184 initiative. The archival preservation of all permanent records of e-government was not funded due to its cost. This project envisions the archival preservation of an additional 18,000 gigabytes of data.

It is recommended that the replacement of IT equipment – \$43,729 outright purchase and \$29,448 capital lease/purchase – be deferred for cost containment.

The Department of Legislative Services (DLS) recommends that the capital lease/purchase of new equipment \$98,759 be deferred. This includes a one-year deferral of \$61,865 for the 500 gigabytes of storage. Workload performance measures in Exhibit 2 project 688 gigabytes of the 770 gigabytes of storage available will be used by the end of fiscal 2003.

DLS also recommends that the WAN initiative be deferred. Current access speed to State Archive web sites and download of documents is acceptable for most users and exceeds the download speed capability of most public users. Very few public users outside of government and large corporations have broadband access that can take advantage of increased access and download speeds.

Recommended Actions

	<u>Amount Reduction</u>	<u>Position Reduction</u>
1. Delete replacement of IT work stations, servers, printers and scanners scheduled for fiscal 2003. State Archives can defer replacement of IT equipment scheduled for fiscal 2003 for one year as a cost containment measure.	\$ 51,656 \$ 21,521	GF SF
2. Delete new IT equipment scheduled for 2003. State Archives can defer adding additional storage devices for growth of archival materials both on the database server (inside firewall) and the Internet server (outside the firewall) for one year. Currently State Archives has 770 gigabytes of storage of which 368 gigabytes are expected to be utilized in the current year. The projected up-grade to 1,240 gigabytes can be deferred.	45,096 53,663	GF SF
3. Reduce telecommunication costs to delete upgrade of T-1 lines to DS-3 lines for State Archives connection to Wide Area Network (WAN). State Archives can delay for one year the upgrade of the communication connection to the Annapolis fiber optics ring WAN network.	62,000	SF
4. Delete funds to publish the <i>Maryland Manual</i> . State Archives can still update the electronic copy of the <i>Maryland Manual</i> to reflect the new administration and other elected officials so the biographical information will be available on the Internet.	61,000	GF
5. Reduce funds to replace consolidated publication merchandise. This will leave \$20,000 to restock the inventory, the amount budgeted in fiscal 2002.	30,000	SF
6. Defer general fund support \$74,635 of the Slavery Commission project for one year as a cost containment measure. Delete special fund support \$60,404 for Research Division special projects. While this is a legislative mandated commission, Archives support for the commission's work can be deferred for one year. The historical materials will not be lost. This should not preclude State Archives from doing biographical research if funds are subsequently available from other grants during the year.	74,635 60,404	GF SF

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Total Reductions	\$ 459,975
Total General Fund Reductions	\$ 232,387
Total Special Fund Reductions	\$ 227,588

Updates

1. Assessment of Peabody Art Collection

Committee narrative in the 2001 *Joint Chairmen's Report* required a report on an assessment of the Peabody Art Collection to be submitted on December 31, 2001. The Peabody Art Collection purchased by the State from the Peabody Institute for \$15 million is now valued at \$19 million. The projected conservation cost to conserve and restore the collection over the next ten years is \$2.25 million

The assessment revealed that 50% of the paintings and frames in the Peabody collection are in poor or critical condition. Approximately 46% of the sculptures, including nearly all of the plaster casts in the collection, are in poor condition. If treated these objects would be suitable for display. To date only a fraction of the collection is on public display on a permanent or semi-permanent basis.

The last assessment of the Peabody Art Collection, funded by the Getty Foundation, was in 1988. At that time conservators estimated that restoring the paintings would require 1,885 hours of treatment and an expenditure of \$132,000. This figure excluded the cost of restoring the frames. Today after evaluation by the same painting conservator, the collection will require 3,464 hours of treatment and \$277,000. Restoring the frames of the paintings will require 7,481 hours and \$598,000.

Current and Prior Year Budgets

Current and Prior Year Budgets
State Archives
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2001					
Legislative Appropriation	2,716	1,136	0	0	\$3,852
Deficiency Appropriation	50	0	0	0	50
Budget Amendments	18	1,708	0	0	1,726
Reversions and Cancellations	0	(154)	0	0	(154)
Actual Expenditures	\$2,784	\$2,690	\$0	\$0	\$5,474
Fiscal 2002					
Legislative Appropriation	2,920	1,466	0	0	\$4,386
Budget Amendments	(115)	(7)	0	0	(122)
Working Appropriation	\$2,805	\$1,459	\$0	\$0	\$4,264

Note: Numbers may not sum to total due to rounding.

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Fiscal 2001 Expenditures

The \$50,000 fiscal 2001 deficiency appropriation provided funds to support State Archives assistance to Maryland's Attorney General in the dispute with Virginia over rights to the Potomac River.

The \$1.7 million in additional special fund revenue is primarily revenue received from the Clerks of the Court Land Record Improvement Fund to support plats.net initiative and archival microfilming of land record transactions.

Fiscal 2002 Adjustments

The \$122,000 fiscal 2002 reduction is the cost containment action taken.

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Appendix 2

Object/Fund Difference Report
State Archives

Object/Fund	FY01	FY02	FY03	FY02 - FY03	Percent Change
	Actual	Working Appropriation	Allowance	Amount Change	
Positions					
01 Regular	46.00	47.00	47.00	0	0%
02 Contractual	52.37	26.89	47.50	20.61	76.6%
Total Positions	98.37	73.89	94.50	20.61	27.9%
Objects					
01 Salaries and Wages	\$ 2,560,423	\$ 2,577,782	\$ 2,691,237	\$ 113,455	4.4%
02 Technical & Spec Fees	1,101,449	658,611	1,333,766	675,155	102.5%
03 Communication	203,471	108,294	268,035	159,741	147.5%
04 Travel	12,505	5,732	14,366	8,634	150.6%
06 Fuel & Utilities	5,543	7,905	9,122	1,217	15.4%
07 Motor Vehicles	7,355	3,070	7,387	4,317	140.6%
08 Contractual Services	417,742	302,877	438,938	136,061	44.9%
09 Supplies & Materials	152,642	100,468	130,415	29,947	29.8%
10 Equip - Replacement	123,788	51,649	111,434	59,785	115.8%
11 Equip - Additional	577,168	136,420	119,879	(16,541)	(12.1%)
12 Grants, Subsidies, Contr	17,280	18,500	12,700	(5,800)	(31.4%)
13 Fixed Charges	294,816	292,889	319,477	26,588	9.1%
Total Objects	\$ 5,474,182	\$ 4,264,197	\$ 5,456,756	\$ 1,192,559	28.0%
Funds					
01 General Fund	\$ 2,783,889	\$ 2,805,017	\$ 2,969,333	\$ 164,316	5.9%
03 Special Fund	2,690,293	1,459,180	2,487,423	1,028,243	70.5%
Total Funds	\$ 5,474,182	\$ 4,264,197	\$ 5,456,756	\$ 1,192,559	28.0%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

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Appendix 3

Fiscal Summary State Archives							
<u>Unit/Program</u>	<u>FY01</u>	<u>FY02</u>	<u>FY02</u>	<u>FY01 - FY02</u>	<u>FY03</u>	<u>FY02 - FY03</u>	
	<u>Actual</u>	<u>Legislative</u>	<u>Working</u>	<u>% Change</u>	<u>Allowance</u>	<u>% Change</u>	
01 Archives	\$ 5,344,280	\$ 4,278,824	\$ 4,159,045	(22.2%)	\$ 5,318,389	27.9%	
02 Artistic Property	129,902	107,373	105,152	(19.1%)	138,367	31.6%	
Total Expenditures	\$ 5,474,182	\$ 4,386,197	\$ 4,264,197	(22.1%)	\$ 5,456,756	28.0%	
General Fund	\$ 2,783,889	\$ 2,920,017	\$ 2,805,017	0.8%	\$ 2,969,333	5.9%	
Special Fund	2,690,293	1,466,180	1,459,180	(45.8%)	2,487,423	70.5%	
Total Appropriations	\$ 5,474,182	\$ 4,386,197	\$ 4,264,197	(22.1%)	\$ 5,456,756	28.0%	